exemption on intermediates of finished medicines; and

(e) what are the details of cases where his Ministry refused to recommend duty concession during the last three years yearwise?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): The purpose of giving customs duty concessions on intermediates and bulk drugs is to encourage the manufacture of bulk drugs and formulations from more basic stages, as also to ensure the availability of medicines in abundant quantity at reasonable prices of the consumers. The proposals of customs duty concession are examined by this Deptt. before sending any recommendation in this regard to Ministry of Finance. The recommendation as finally accepted by Ministry of Finance are taken into account while fixing the prices of controlled bulk drugs and their formulations. For custom duty concession/exemption, on formulations, Directorate General of Health Services recommend to Ministry of Finance on the basis of their life saving nature.

(b) This Deptt. is examining the possibility of strengthening/reorganising the present administrative arrangement for monitoring the impact of customs duty concessions.

(c) to (e) The receipt of request for customs duty rationalisation and their further examination in this Deptt. before making the recommendation to Ministry of Finance is ongoing process. It is not linked necessarily every case to reduction in price of bulk drugs. The prices of Scheduled drugs are fixed from time to time in accordance with the procedures and norms laid down under the provisions of DPCO, 1987. Whenever, there in customs duty concession on any drug-/drug intarmediate, the reduced price is taken in to account for fixing the price of controlled bulk drugs & formulations. Regarding non-scheduled drugs, Govt. keeps a watch on the movement of their price. The concession/exemption of customs duty is recommended to Ministry of Finance on merits in each case.

Price of fortum IGM Injection

1949. SHRI ASHOK NATH VERMA: CHOWDHARY RAM SEWAK:

Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 2068 given in the Rajya Sabha on 12-12-1991 and state:

(a) whether it is a fact that a price of Rs. 263 per injection of Fortum 1 gm has made this life saving injection a life taking injection;

(b) whether it is a fact that a single company is having a monopoly its spite of turn over of Rs. 26 crores during 1990-91 and exemption of custom duty and exempted from price control;

(c) whether it is fact that price charged for the bulk drug by the parent company of Rs. 1 lakh per Kg. CIF is exorbitent;

(d) why Government have shown undue haste in exempting custom duty and what were the details of the complaints pending with his Ministry which were ignored while recommending custom duty exemption; and

(e) what steps have been taken to bring under price control?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): Fortum Injection is based on the latest generation of Cephalosporin antibiotics and is generally prescribed only when other available antibiotics fail to produce the desired results. As such even though expensive, it is a life saving injection.

(b) and (d) To the extent information is available, the annual sales turnover in respect of Fortum Injection during 1990-91 was Rs. 7.48 crores. Fortum Injection in the finished form was being imported with nil customs duty. The exemption from customs duty on this

bulk drug was recommended in accordance with the basic approach of customs duty rationalisation that where formulation is duty free, the concerned bulk drug should also be allowed to be imported duty free, with the objective of foreign exchange savings, value addition, within the country, etc.

(c) To the extent information is available, the bulk drug Ceftazidime is being imported by the company at Rs. 66,530 per kg.

(e) This is linked with the ongoing review of the Drug Policy.

Disclosure of names of formulations

1950. SHRI ASHOK NATH VERMA: CHOWDHARY RAM SEWAK:

Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 2074 given in the Rajya Sabha on 12.12.91 and state:

(a) whether it is a fact that the disclosure of names of 500 formulations for which prices have been fixed during 1991, their earlier prices and revised prices is not being made to hide the omissions and commissions of some bureaucrats; and

(b) what steps are proposed to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) No Sir.

(b) Does not arise.

Payment of import price difference by drug companies

1951. CHOWDHARY RAM SEWAK: Will the PRIME MINISTER be pleased to state:

(a) whether it a fact the Government have decided to ignore the higher import price difference of $ 600 per kg., being paid by M/s. Hoeschst and M|s Roussel;

(b) whether his Ministry have also decided to ignore non-reduction in price of formulations based on custom duty exempting on this drug;

(c) what was the price of formulations based on Cefotaxoim of M|s. Hoechst and M/s. Roussel before and after custom duty withdrawal;

(d) whether it is a fact that supression of DPEA liabilities decontrol of Glybenclamide without justification, custom duty reduction of Cefotaxim without justification all show that the Government run by these companies or at the instance of these companies;

(e) whether it is a fact that in the process common man has been over-charged by crores;

(f) what are the reasons for supression of liabilities of these companies decontrol of their drugs without basis and exemption/reduction of custom duty; and

(g) what is the relation of these companies with each other?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) It is not clear from the Question that on what bulk drug the higher import price is being paid by M/s. Hoechst & Roussel.

(c) The earlier price and the revised price of 1 gm. Injection based on Cefotaxim Sodium of both M/s. Hoechst and M|s. Roussel, are Rs. 184/- and Rs. 131.90 respectively (both inclusive of excise duty but exclusive of local taxes).

(d) and (e) No, Sir.

(f) There is no question of supression of liabilities. These are determined on the basis of data available with the Government. Inculsion|exculsion of of drugs under price contro is based on the recommendation of the Expert Committee (Kelkar Committee). Reduction/exemption of customs duty is recommended on the basis o rationale that if end product enjoys concessional duty or is exempted from customs duty, the same benefit should b extended to raw materials also in order t encourage indigenous production and effect saving in foreign exchange.